G. R. S. 58
Previous references.

File No. 14 of 07-8

1907-8

Serial Nos. 102

(Banking)

Later references.
B. April 09 81-7. Banks 14-08
Bank 18-12 cc1 B 1105 42

GENERAL AND REVENUE SECRETARIAT.

Serial Nos. 102

Part B. for November 07

SUBJECT.

Term of the appointment of the Registrar of Cooperative Societies

---

1) From the Revenue Commr in Mysore. No 2956 & 21.8.07. (8.878).
Submits for orders a copy of letter No 81/C.S. 9 3.8.07 (Cotton with a copy of its enclosure) from the Registrar of Co operative Societies submitting a note on ~~application~~ appointment as Registrar of Co operative Societies, the term of which as fixed by Go. No 1186 ~~14.7.86~~ 9.7.86 expires 13.9.05

2) To the Revenue Commr Mysore No 7C2.5268, 27.11.07;

GPB—8,000—7-4-07

Approves of the proposal of the Revt Comm^r. directs that Mr Shama Rao will continue as Registrar for a further period of two years from Sept 20 and states that as Mr Shama Rao is now the grade of Senior Asst Comrs drawing a Salary of Rs 700/- including personal allowance his status is sufficiently high. It is not necessary to give him the grade of a Dy Comr.

To the Comm^r Prof 29,25 & 17.12.0

Forwards Copy of the above.

G.R.S. 11] 1907-08

GENERAL AND REVENUE SECRETARIAT.

(Banking)

NOTES.

File No. 19907-08

FILE HEADING.

Term of the appointment of the Registrar of Co-operative Societies in Mysore.

From

No. 5[illegible] Dated 2[illegible] Received [illegible]

Diary No. 878	Enclos. 2	Spare Copies.	Serial No.

BRIEF ABSTRACT OF LETTER.

Submits for [illegible] letter No. 81 [illegible] for the appointment of [illegible] from the Registrar of Co-operative Societies in Mysore in addition to appointment as Registrar of Co-operative Societies, Mysore [illegible]

NOTES AND ORDERS.

2

In G.O. No. H 1886-929/Genl. Fin 86-05-2 of 13-9-05, the Govt in sanctioning the appointment of the Registrar of Co-operative Societies in Mysore stated that the continuance of the said appointment would be reconsidered at the end of two years. The 2nd period of appointment expires this month and

NOTES—First sheet.

GPB—30,000—20-3-06.

G.R.S. 12]
General and Revenue Secretariat.

B File No. 19 of 1907-08

Serial No.

The Registrar has submitted a note on the continuance or otherwise of the Registrar's appointment for the consideration of Govt.

The Registrar reports at length the work done by him under the Co-operative Regulation which consists in the popularising of the provisions of the Regulation and the starting of a number of Co-operative Societies of different types; in the inspection of a number of Agricultural Banks and the recovery of the Govt. loans from them; and lastly in the study of a number of industries ~~that~~ which He also states that the work yet to be done consists in watching the progress of the Co-operative Societies already started till they strike their roots somewhat deep; in the starting of some more Societies, especially central Societies, and establishing branches in suitable places; in the conversion of Agricultural Banks, where possible, into Co-operative Societies, and in the completion of the study of industries and of the systematisation of Commercial Statistics.

He further states that if Govt. decide to continue the appointment of a Special Registrar for any further period, it is desirable that the Registrar should for the period he continues to be a Special Officer, be of the grade of a Dy. Collr., as his duties bring him in contact with all classes of people and he has to depend a great deal on his personal influence

Note—Contn. sheet

GPB—50,000—25-2-07

Serial No.

and powers of moral persuasion for the accomplishment of the results which he is expected to show, and which must stand comparison with the results achieved in British India.

The Rev. Jour. considers that the appointment of Registrar on its present basis may be continued for a further period of two years and that the question of investing the Registrar with the status and grade of a Deputy Commissioner may be allowed to lie in abeyance, as such a step is likely to weaken the sense of responsibility of Dy. Comrs. whose hearty co-operation is essential in the supervision of both the Agricultural Banks and Co-operative Societies.

In this connection attention is invited to para 14 of the report of the Committee appointed by and under the orders of Govt of India.

The points for orders are

(1) Continuance of the appointment of Registrar

(2) His powers and status

(3) Provision of a sum of about Rs. 15000 to be placed at the disposal of the Registrar to enable him to advance to deserving Societies for the purpose of encouraging the formation of such Societies

(4) Continuance of the Establishment attached to the office of the Registrar, the appointments thereof were ordered to be made tentatively in G.O. No.

R 3299-301 of 23-11-05.
Genl. Fin. 86-05-3

Subd to Genl Secy
6/4/(9)07

24.9.7

GPB—50,000—25-2-07

The development of credit and especially of co-operative credit is fraught with infinite potentialities of good to the Indian ryot and artisan and is a work to which Government ought to pay considerable attention. The development of co-operative credit will tend to free the ryot and the artisan from the clutches of the greedy money-lender, by making capital available on easy terms. It will gather together for investment in productive pursuits the small sums of money now locked up in petty jewelry or buried underground for safety. It will tend to bring about greater confidence and mutual trust between man and man, qualities necessary for industrial progress.

Much of the spade work necessary in the early stages of a new experiment has been done and hereafter we might expect more tangible results.

Mr. Shama Rao has done much useful work during the present term and may be

expected

expected to turn out equally good or better work during a further term of two years. I therefore think it is desirable and necessary to continue the office of Registrar of Co-operative Credit Societies for a further period of two years at any rate.

The present establishment should also be continued.

As regards investing the Registrar with the status of a Deputy Commissioner at least temporarily, I am not sure that there is much necessity for it. In the large provinces of British India an officer of high status is necessary to induce the local authorities to afford the needful co-operation and help, and to be in sufficiently close touch with Government. But in a small compact State like Mysore these difficulties do not exist in the same degree, and an officer of an Assistant Commissioner's status can well keep in close touch with the Government through

the Revenue Commissioner and with the local authorities without much difficulty. Mr.Shama Rao is also of the status of Senior Assistant Commissioner now a grade only next inferior to a Deputy Commissioner.

For these reasons and for the reason that if Mr.Shama Rao is invested with the grade of Deputy Commissioner, the measure might weaken the sense of responsibility in Deputy Commissioners of Districts for hearty co-operation in the scheme, this suggestion made no doubt in good faith might lie over.

The question of granting advances from Government to Co-operative Societies is also a large question the solution of which is rendered peculiarly difficult in Mysore by the experience of Agricultural Banks. The question might be discussed separately and in arriving at a decision the results attained in British India with the advances granted there would be of

7

great help.

The conversion of some of the present Agricultural Banks into Co-operative Credit Societies may also be productive of good and the Registrar may be asked to sub-mit detailed proposals as to how the conversion may be effected, how the Government loan given to the Bank and the liability of the members would be affected, &c.

Comm. memo. ...

Dewan's

6236

7.9.07

CBS
6/9

my
7.9

Dewan's adv

Please consult the Financial Secretary + place before Council

BP.
6/9
7-9-07

Fin (Secy) CBS
10/9

There are large amounts outstanding from Agricultural Banks, & working expenses to the extent of Rs 25000/- have to be advanced to some of them - It is certainly desirable that, in view of

Serial No.

the indebtedness of these Banks to Govt, they should be specially watched for some time to come. Dt Commrs ~~cannot~~ cannot, either for want of time or sufficient interest watch the interests of Govt in such matters. I think the continuance of this special establishment may gradually lead to some a larger percentage of the debts being collected, this will how ever much has been done in this direction. The Revenue Commr suggests the winding up of the refractory Banks, but he has not given any idea of the loss there will be in value. Probably his proposal will clear up the matter.

2. As regards Cooperative Societies, the best results, I believe, have been obtained in the Govt where they have depended not so much on funds advanced by Govt, as on those contributed by Capitalists who have joined the District Central Societies. This maybe attempted here. This will require some persuasion on the part of the special officer, but this is an important part of his function. He has to educate public opinion on the subject, & remove the distrust in joint stock undertakings which is said to be

NOTE—Contn sheet

G.P.S.—10,000—18-1-07

Serial No.

the chief impediment in the way of success.

3. I do not think it will be advisable to fix to-week the loan amount any further; but collections of debts from one source may be utilised in other directions. This gives the loan to the Bandhaji here has obtained much more than our possible realisations.

Ch 19.9.07

Secl &c.

Circulate to Crs

DSR 20/9 KS

164 23.9.07 Mr Shamrao has made a good beginning and justified the confidence reposed in him by Govt. He has a good record of work to his credit, considering he had to work all alone - without any active support from district Officers. - and had many initial difficulties to contend against.

It may be accepted as

Serial No.

an axiom that Government is bound by every means in its power to help forward the Co operative movement among the people. This is not less important than the extension of primary education among the masses or the prevention of plague & other epidemics.

The work already accomplished augurs well for the future.

I would certainly continue the appointment of Registrar for another 2 or 3 years. There is also much force in Mr Shamiraos' contention that the Special Officer charged with this duty should be of the grade of Dy Commr - more especially as he has to depend almost entirely on his own resources & personal influence. I do not understand

Note—Contn sheet

G.P.B.—10,000—18-1-07

B File No. 19 of 1907-8.

Serial No.

how the asstt of an Officer of the Dy Commrs Srade will weaken the sense of responsibility of District Deputy Commissioners. Mr Majumdar says that the latter Officers do not watch the interests of Government in regard to Agricultural Banks, much less can they be expected to foster and encourage Co operative movement.

The Registrar of Co operative Societies in each Province is an Officer of the Collectr Srade, and I think we should not be slow in our recognition of the importance and special aptitude required for the asstt

W. H. Cummingham

20/viii/07

× The Revenue Commr also in away admits this.

Note—Contn. sheet

MGCPB—50,000—17-2-0.

23/8/07

FD

Serial No.

Sd

Mr Shamakar is entitled to draw Rs 700/- from 18th Sept 07. According to G.O. No 6027-35-5 m 12-06-50 (Fin 2.4.07) the excess over pay & the class or duty allowance at any given time is regarded as personal allowance. Tho (Flag N).
2/11/5/07

Is not G.O. No 7H 1886 dt 13-6-05 still in force? If not, or if there is any doubt in the matter I would expressly revive it. - Under it Mr M. Shamakar should be drawing Rs 700 p.m. from 1st instant which is the initial pay of a Dep.ty Collr. & the pay of Allns of a Dep.ty Collr which are on a higher scale than those of a Dep.ty Collr. - Law Dept hold that Note 2 to Art: 540 of the Service Regulations has been making a big hole in Mr Shamakar's pocket. - Now (as ere this) I would recommend that this Note be cancelled.

2 The Special Appointment of Assistant Cooperative Societies may be sanctioned for another two years.

3 As to help from Dy Cors, personal influence in getting people to constitute themselves into Cooperative societies, loans from Govt &c &c, it seems to me that the less these Societies have of artificial help of this kind the better. Stability

G.R.S. 12]
General and Revenue Secretariat.

File No. 14 . . of 1907 S.

Serial No.

& therefore cases
- liability will be secured in proportion to the extent to which the societies stand on their own resources, modify themselves entirely on the ground of self interest in the shape of mutual benefit to the members, and are adapted to the level of the members constituting them -

26 Sept 07

Submitted to Diwan after circulation

CSB
27/9

NOTE—Contn. sheet

MGCPB—50,000—17-2-07

C.125.
21.9.07.

14

GENERAL AND REVENUE SECRETARIAT.

Council Matter.

SUBJECT.

Continuance of the appointment of the Registrar of Co-operative Societies in Mysore for a further period of two years and the establishment attached to that office.

CIRCULATED TO COUNCILLORS.

By Order,

21st September ..... 190 7.

Offg. *Secretary.*

C560/23.9.07

T. Ananda Row, Esq., B.A.,
First Councillor.

K. P. Puttanna Chetty, Esq,
Second Councillor.

6510/28.9.07

Submitted to His Highness.

When the appointment of a Registrar of Co-operative Societies was sanctioned in September 1905, it was said that the continuance of the appointment would be reconsidered at the end of 2 years. This term has now expired, and the question of the continuance of the appointment for a further period has now to be decided.

The Registrar, Mr. Shama Rao, has in his note of the 3rd August, furnished particulars as to the results hitherto achieved and the work remaining to be done. As stated by the Revenue Commissioner, the results achieved are "encouraging and capable of standing comparison with those attained elsewhere". The work remaining to be done consists chiefly of starting societies in the Districts of Kolar, Chitaldrug and Shimoga, where there are no societies at present, and the formation of Central Societies at all District Head Quarters.

Both the Councillors and the Revenue Commissioner

are of opinion that the appointment may be continued for a further period of 2 years from September 1907. This may be approved and Mr. Shama Rao may continue as Registrar.

Mr. Shama Rao, in his note, has urged that if the appointment is continued, the Registrar should be given the grade of a Deputy Commissioner. The Revenue Commissioner has suggested that this question may be allowed to lie in abeyance, as such a step is likely to weaken the sense of responsibility of Deputy Commissioners. The Second Councillor is of opinion that the Registrar should be an officer of the grade of Deputy Commissioner. The First Councillor points out that Mr. Shama Rao is already drawing the salary of a Deputy Commissioner of the last class and that his travelling allowances are on the same scale as those of the Deputy Secretary to Government, which are in excess of those of a Deputy Commissioner.

Mr. Shama Rao is in the grade of Senior Assistant Commissioners and his status is sufficiently high. He also draws Rs.700, including his personal allowance, which is equivalent to the pay of a Deputy Commissioner of the last class. I do not think it

17

necessary to give the Registrar the grade of a Deputy Commissioner.

As to Mr. Shama Rao's proposal that the existing Agricultural Banks should be converted into Co-operative Societies, the Revenue Commissioner is not in favour of this. ~~Mr. Shama Rao may, however, [illegible] detailed proposals in the matter, for consideration.~~ This is not a question which has any immediate practical interest

12/1/1909

Record of Cases submitted for the Orders of His Highness the Maharaja.

Subject.

13.11.07
345

Continuance of the appointment of the Registrar of Co-operative Societies in Mysore for a further period of two years from September 1907.

Order.

355.

335
17-11-07

I agree with the Dewan.

14/11/07

15/11/1907

Sir II
Please put up draft order

17/11 18/11/07

G. R. S. 12]
General and Revenue Secretariat.

Banking/ File No. 19 of 1907-8.

Serial No.

Submitted with a draft accordingly
K.S. Sundry/
19.11.07.

MR

19/11/7

Issue
CBB
27/11/07 25.11

Seen Vetto 3 Dec 07.

Note not completed
KPM 12/12/07

It seems necessary to send a copy of the order to complete + if permitted, it will be sent

K.S. Sundry - Send it
13/12/07. 18/12/7

MR

Typist Section 14/12

2 To - The Rev. Journ. in Mysore
No. H 2524 of 27-11-07

Approves the proposal of the Rev. Journ. District that Mr. Shama Rao will continue as Registrar for a further period of two years from Septr. 07 and states that as Mr. Shama Rao is in the grade of Senior Asst. Journ. drawing a salary of Rs. 200 including personal allowance his status is sufficiently high. It is not necessary to give him the grade of a Dy. Journ.

Note—Contn. sheet

G. R. S. 12]
General and Revenue Secretariat.

B File No. 19 of 1907

Serial No.	
	To - The Comptroller No. H. 2925 of 17-12-07 Forwards copy of the above.

NOTE—Cont'n. sheet.

GPB—50,000—5.2.07

No. 2956

Office of the Rev. Comr. in Mysore,

Bangalore, 21st August 1907

From

A. RANGASWAMI IYENGAR, Esq., B.A., B.L.,
Revenue Commissioner in Mysore.

To

The Secretary to the Government of
His Highness the Maharaja of Mysore,
General & Revenue Departments.

Sir,

I have the honor to submit herewith, for the orders of Government, a copy of letter No.81/C.S. dated the 3rd August 1907 (together with a copy of its enclosure) from Mr.M.Shama Rao, Registrar of Co-operative Societies in Mysore submitting a note on his appointment as Registrar of Co-operative Societies, the term of which as fixed by Government Order No.Fl.1886-925/Gen.Fin.86-05-2 dated the 13th September 1905 expires in September 1907.

2. The number of Co-operative Societies that have till now sprung up into active existence is 15; and the capital that they have collected up to the end of June 1907 amounts to nearly Rs.25,000/-. So far, the results achieved must be said to be encouraging and capable of standing comparison with those attained elsewhere, e.g. in the Madras Presidency where, at the end of the year 1905-06, (i.e.after 2 years from the commencement of the co-operative scheme) the number of societies that had been registered was 27 with a paid up share capital amounting to Rs.32,207-10-0. It is noteworthy that none of the Societies registered in the State has been constituted on the basis of unlimited liability. Mr.Shama Rao explains that the fact of members of several

of

Rev. Comr. Form 12.

190

From

A. RANGASWAMI IYENGAR, Esq., B.A., B.L.,
Revenue Commissioner
in Mysore.

To

The Secretary to the Government of
H. H. the Maharaja of Mysore,
General & Revenue Departments.

Dated 21

Despatched 30-8-07

Received

No. 2956.

Enclosure No. 2

Submits copy of letter from the Reg^r of Co-operative Societies regarding his appointment.

Young & Co., Printers, 2,000—6-3-07.

of the mismanagement of Agricultural Banks being often proceed -ed against by Government for the debts due by such Banks to Government, has been largely responsible for the public viewing with distrust the principle of unlimited liability in joint stock concerns. It must be admitted that there is some force in this contention. But I am unable to agree with him when he proceeds further and urges that the general failure of Agricultural Banks has had the disastrous effect of making people regard all co-operative undertakings with distrust and diffidence. I am of opinion that some Banks are doing fairly well and that others failed to serve the intended purpose because the people who were new to such undertakings had no judicious guidance and direction in managing them, and the Revenue and other officers responsible for watching over them failed to exercise proper supervision.

3. As regards work that still remains to be done in the direction of bringing home to the public the advantages of the co-operative principle, it may be observed that the Districts of Kolar, Chitaldrug and Shimoga cannot yet boast of a single co-operative Society. It is highly desirable that the Registrar should exert himself and have a few of the Societies started in each of these Districts. Further in order to stimulate the activity of the above Association and help them with funds, Central Associations may, with advantage, be formed at each of the District Head Quarters. These Central Associations will be able to finance the Branch Societies whenever they should be in need of such help and also receive their surplus in deposit; in fact, they will thus act as a medium for the circulation of funds.

4. Mr.Shama Rao refers in his Note to his not being provided with any money to be advanced to deserving Societies for the purpose of encouraging the formation of such Societies. I would suggest that Government may place at his disposal a sum of about 15,000/- Rs. which may be utilised for advancing loans to the Central and other Associations in order to enable them to make a good start in business.

5. It is highly desirable to wind up all Agricultural Banks which are not punctual in the repayment of the annual instalments due to Government and which are otherwise badly managed. In this direction also, there is much to be done which a special officer like Mr.Shama Rao can attend to with great advantage to the State.In this con-nection, I may say that the Agricultural Banks as original-ly constituted and the Co-operative Societies formed under the recent Regulation have each certain advantages of their own and may be allowed to exist side by side. The former are however at a disadvantage in that they are not permitted to charge more than 6% interest (on loans advanced to members on the security of immoveable property) and that they cannot collect their dues with the facility which is provided for the latter under the Co-operative Societies Regulation. If these draw backs are removed ,the Agricultural Banks will not only be able to pay back with greater ease the amount lent by Government, but also to carry on busines with a tolerable amount of success. I shall make a further reference on this subject on the application of the Palhalli Bank which has been pending with me for some time.

6. As regards the work of studying the various industries in the State assigned to the Registrar in para 2 of Government Order No.Fl.1886-929/Gl.Fl.86-05-2 dated 13th September 1905, Mr.Shama Rao states that he has

embodied the results of such study in his quarterly diaries in the shape of short Notes on such subjects as Silk, cotton, sugar-cane, potato, ragi, &c. I am afraid that these notes were not framed in a form in which they could be useful to the public or to Government. They do not appear to have been properly verified, nor do they contain any suggestions by way of criticism or instruction. As for the " ~~Systemdcation~~ Systematization of ~~the~~ commercial Statistics " ,Mr. Shama Rao does not appear to have attempted anything, and, in fact admits that the meaning of the expression was not clear to him. I may however state that this is engaging my attention and that as a commencement some statistics of the traffic by Rail have been already compiled and submitted to Government for publication in the Gazette.

7. In conclusion I think the appointment of Registrar on its present basis may be continued for a further period of 2 years and that the question of investing the Registrar with the status and grade of a Deputy Commissioner may be allowed to lie in abeyance, as such a step is likely to weaken the sense of responsibility of Deputy Commissioners whose hearty co-operation is essential in the supervision of both the Agricultural Banks and Co-operative Societies.

I have the honor to be,

Sir,

Your most obedient servant,

K Subba Rao

For Revenue Commissioner.

B.K.R.

No.Ø.81/C.S.

5

Office of the Registrar of Co-operative
Societies in Mysore,
Dated Bangalore, 3rd August 1907.

From

M.Shama Rao, Esq.,M.A.,
Registrar of Co-operative Societies in
Mysore.

To

A.Rangaswami Iyengar, Esq.,B.A.,B.L.,
Revenue Commissioner in Mysore.

Sir,

I have the honor to inform you that in Government Order No.Fl.1886-925 Gen.Fl.86-05-2, dated 13th September 1905, the term of the Registrar's appointment has been provisionally fixed to two years. This period will be over in September next, and I submit the accompanying note on the continuance or otherwise of the Registrar's appointment for such consideration as it may deserve.

3

I have &c.,
Sd/. M.Shama Rao,
Registrar, Copperative Societies

---------oOo--------

"C O P Y".

For Revenue Commissioner.

B.K.R.

Note on the continuance or otherwise of the appoint-
-ment of the Registrar of Co-operative Societies.

The Mysore Co-operative Societies Regulation was passed in June 1905, and as per Government Order No.Fl. 1886-925 Gen.Fin.86-05-2 dated 13th September 1905 I was appointed Registrar under the Regulation to bring home to all classes in the State the advantages of co-operation and the facilities afforded for the purpose by the recently passed Regulation. I was also required to acquaint myself with the condition of the various industries in the State, study the causes of their decline and suggest suitable measures, where possible, to arrest this decline. To this work was also added the function of collecting and system-
-atising commercial statistics, about which there existed scanty information. The appointment of the Registrar was tentatively sanctioned for a period of two years, and its continuance was to be reconsidered at the end of that period. The period thus fixed expires in September next. I do not know whether the intention of Government is to continue the appointment or abolish it; but in case there is any intention of continuing it, I beg that the observations made by me in this note may kindly be taken into considera-
-tion.

2. The position of the Registrar in Mysore is some-
-what different from that of his collegues in British India. Here the Registrar has been left to his own resources to find funds for the Co-operative Societies started by him or by others, whereas in British India, each Registrar was allotted a sum of Rs.50,000 to start with by the Govern
-ment of India. In the next place, In British India the Registrars have had a field of virgin soil for their opera-
-tions, while in Mysore the ground being strewn with the

wrecks of Agricultural Banks the difficulties attending the popularisation of a new movement like the Co-operative movement have been considerably intensified by the suspi-cion in the minds of the people regarding the utility of Co-operative Societies which in their eyes bear a family likeness to the Agricultural Banks.

3. In these circumstances I have had to proceed most cautiously, and after circulating broadcast copies of a Memorandum, both in English as well as Canarese, I report-ed in April 1906 that institutions with unlimited liablity which was the basis of the Agricultural Banks had not commended themselves to the people and that it was desir-able to convert the Agricultural Banks wherever possible into Co-operative Societies on a basis of limited liability as it was better understood than the principle of unlimited liability. These Banks were entrusted to my supervision in September 1906, and in January following I was also invested with coercive powers to recover the loans of money given in past years to these Banks.

4. Turning to the results of my work, I may state that till the end of June last, I have visited 23 Taluks in the State, assembled the people in several places, explained to them the provisions of the Co-operative Regulation, held conferences with several of the important men and discussed with them individually the doubts and difficulties put forward in the way of starting Co-operative Societies. In September last I also attended, as a represent-ative of the Mysore Government, the Conference of Re-gistrars held at Simla under the direction of the Government of India. The number of Agricultural Banks inspected by me till now is 30 and the number of Co-operative Societies registered is 15, omitting 2 which showed no work. Taking

the

the Co-operative Societies first, these Societies are distributed in the District of Hassan, Mysore, Bangalore, Tumkur and Kadur; two of them are Grain Banks which are in two villages, all the members being petty agriculturists two Societies deal only with the weavers; two are concern-ed with the growth of agricultural produce with improved appliances; and the remaining nine have as their members persons drawn from all classes of the people. Applications have been received for starting Societies at T.Narasipur, Molakalmuru, Krishnarajpet, Thirthahalli, Closepet, Nyamati and other places, but bearing in mind the direction con-tained in Government Order No.Fl.2909-B.38-06-2, dated 25th October 1906 that "the greatest care should be taken to ensure the stability and success of the pioneer Societies, a matter to which the Government attach greater importance than to a mere increase in the total number of Societies" I have postponed taking immediate steps for the organisa-tion of the Societies applied for.

5. The capital actually collected till the end of June last was about Rs.25,000/-. Out of the amount placed at my disposal by H.H.the Maharaja, I have given deposits to three Societies amounting to Rs.800/-, and one of the Societies, that at Kotta has already offered to return the deposit. The Societies at Tumkur and Mayasandra to which I have given Rs.500 and Rs.150 respectively have not formally offered to return the money, but as they have accumulated their own capital, I believe, if a demand is made, they will gladly return the amounts. Among the members of all these Co-operative Societies are included several of the retired officers of Government who were

once

once Deputy Commissioners, Assistant Commissioners, Amildars &c.

6. Of the 30 Agricultural Banks visited, about a dozen have little vitality in them, but the rest have every promise of long life if converted into Co-operative Societies. The large loans given by Government to these Banks appear to have been looked upon more as gifts of money granted to the Banks than as loans to be repaid with the result that a number of unscrupulous men became members whose presence would, with better knowledge, never have been tolerated. These men distributed the money as it suited their own interests and the xx rigorous measures which the Government is forced to adopt now to recover its loans is having the effect of keeping back many of the capitalist from all co-operative concerns and joint-stock interests.

7. However, as a result of my propagandism these two years nearly, I may say that the provisions of the Co-operative Regulation, the rules framed under it and the concessions granted by Government in the shape of exemption from stamp and registration fees are now generally understood by almost all the persons who are capable of understanding them or whose interest it is to know them. If this result as well as the actual starting of a number of pioneer Societies is considered sufficient by Government then there will be no need for the continuance of the Registrar's appointment and the people may be left to themselves to start more co-operative Societies where needed. Similarly in the case of Agricultural Banks, unless they are brought under the operation of the Co-operative Societies Regulation, there will be very little work for a special officer in connection with them. The reports of inspection of these Banks already submitted by

ne

me contained lists of defaulters with the amounts to be paid by each of them, and the Amildars are adopting coercive measures for the recovery of the Government dues as men-tioned in my lists. The transactions in the Banks are only nominal and unless they are radically reformed there is no chance of any of them surviving in the future. Their existence can continue only as long as they are able to put off the payment of the Government loan or it as long as Government has patience to postpone the recovery of its dues.

8. On the other hand, if it is considered desirable to continue the Registrar's appointment for a further period, then the work to be done lies in the direction of establishing Central Societies at all the District Head Quarters with branches at most of the Taluk stations. In a State like Mysore consisting of only eight districts within easy reach of Bangalore, the organisation of central and branch societies, the latter being federated to the former is feasible and can be accomplished in a comparitively short period. All the more is this necessary since the Government here have not been giving any loans, as in British India, to Co-operative Societies, and some agency has to be devised which can collect funds for lending to new Societies to be started in rural places . I have already proposed to the Society at Mysore, as it has more capital than it needs, to grant loans to other Co-operative Societies in the State. The proposition will shortly be placed before a general meeting of the members of the Society; and considering that several of the prominent members of the Society have privately expressed to me the feasibility of my proposal, especially in the matter of advancing money to agricultural and industrial societies , I believe that it will be accepted by the general body, and then we shall

have to set about organising Societies, to begin with, in the taluks of the Mysore District. At Tumkur also we have the nucleus of a such a Central Society already. At Bangalore, I shall be able to start one without much difficulty when needed. There are the other Districts also to be taken in hand.

9. Then again, in most of the places where there are Agricultural Banks, Co-operative Societies may be organised so as to take the place of the Agricultural Banks when these cease to exist, as they must even nominal-ly, when the whole of the Government loan is recovered. For the progress of the Co-operative movement, it is essential in my opinion to develop Co-operative Societies in places where there are Agricultural Banks, as thereby we shall be reviving confidence in joint-stock business which has received rather a rude shock at present. Many of the capitalists and others are now discouraged from joining Co-operative Societies for fear of losing their money, as they think that when Government with all its resources and powers finds it hard to recover its loans from the Agricultural Banks, the case must be harder with them.

10. There is also the work of completing the study of the various industries of the State. My diaries contain information in brief regarding silk, cotton, kumbli, sugar-cane, cocoanut, arecanut, potato, paddy, ragi &c. In study-ing these, my attention has been chiefly drawn to the economic side, such as the cost of cultivation or of raw materials and labour, the prices obtained, the net profits earned &c. What now remains to be done is the compilation of a series of monographs on each industry under the direc-tion of the Revenue Commissioner in consultation with the

District

District officers, the Agricultural Chemist and other specialists.

11. The systematization of commercial statistics is an expression the meaning of which has not been very clear to me. If the systematization is to be on the lines of the published trade statistics of the Government of India, then an attempt can be made in that direction. I however think that before moving in this direction, it is desir-able to study the trade statistics of some of the Railway Stations such as Davangere, Tiptur, Kadur, Arsikere, Bangalore Mysore, Goribidnur &c. in the light of local conditions, and compare with these figures the figures of the period (say two or three years) prior to the opening of the Railway, which can be easily obtained from the account books preserved by some of the merchants of these places. In a few instances I have actually tried this experiment, and, as far as I can see, the study is likely to yield most interesting results useful for the future. I would also visit several of the important weekly Shandies and annual fairs held in connection with Jatras and other festivals, and gather from actual observation as much information as possible, throwing light on the changed conditions of trade which must have been established after the Rendition on account of the opening of the Railway. I have also found that the Octroi Statistics of Municipal Towns afford fairly luminous data for drawing inferences regarding the vicissitudes of trade.

12. I also take the liberty of saying that the Registrar in Mysore is placed under a handicap by his being an officer of the status of an Assistant Commissioner. In British India, the Registrars have been chosen from among Collectors, District Judges and Secretaries while, in Mysore, where, as I have already said, the task is hardly

on account of the disappointing results of the Agricultural Banks and on account of other local conditions also, the Registrar is of a lower status. The importance of the move-ment is to some extent discounted by associating with it an officer of a lower rank. A Registrar anywhere is a peripatetic individual who has to operate on people of various minds and temperaments and who has only the weapons of conviction and pursuations to bring home to them the advantages of the co-operative movement. He is brought in contact with all classes of people, and the poor especially crowd round him in high hopes and clamour for the establishment of Societies, while all the while he is racked with the thought of how to influence the retired officers of Government and other capitalists who are not generally eager to come forward to interest themselves in the cause of agriculture and industry. In these circumstances, in case it is decided to continue the special appointment for any length of time I earnestly and respectfully suggest that a Deputy Commissioner may be appointed as Registrar, or if the Government appoints any officer of a lower grade he may be designated a Deputy Commissioner temporarily while he continues to be on special duty. I am liable to be misconstrued on this point; nevertheless I beg to assure the Revenue Commissioner, and through him the Government, that the above suggestion has been made purely on account of the importance of the work and not from mere motives of personal ambition. As a matter of fact the appointment is one, the ways of which may be said to be through brambles and thorns and having no special attraction. In pursuading capitalists to invest money in co-operative Societies, in inducing retired officers of Government of the standing of Deputy and Assistant Commissioners to take part in the management of the Societies, in choosing arbitrators for

the settlement of disputes from among such persons, an officer of the rank of an Assistant Commissioner is decidedly at a disadvantage as compared with a Deputy Commissioner. What I have been able to accomplish till now is more or less due to the opportunities I have hitherto had of meeting almost all the important men of the Province in other spheres of my official life and to the goodwill that several of them bear towards me.

13. To sum up,- (1) The work achieved till now under the Co-operative Regulation consists in the popularising of the provisions of the Regulation and the starting of a number of Co-operative Societies of different types; in the inspection of a number of Agricultural Banks and the recovery of the Government loans from them; and lastly in the study of a number of industries about which brief mention has been made in the quarterly diaries submitted by me.

(2) The work yet to be achieved consists in watching the progress of the Co-operative Societies already started till they strike their roots somewhat deep; in the starting of some more Societies, especially Central Societies for purposes of financing other Societies, and establishing branches in suitable places; in the conversion of Agricultural Banks, where possible, into Co-operative Societies, and in the completion of the study of industries and of the systematisation of commercial statistics.

(3) For the above purposes, if the Government decide to continue the appointment of a Special Registrar for any further period, it is desirable that the Registrar should, for the period he continues to be a special officer, be of the grade of a Deputy Commissioner, as his duties bring him in contact with all classes of people and he has to

depend a great deal on his personal influence and powers of moral pursuation for the accomplishment of the results which he is expected to show, and which must stand com-parison with the results achieved in British India.

Sd/. M.Shama Rao,

Registrar.

Dated Bangalore,

3rd August 1907.

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" C O P Y "

For Revenue Commissioner.

B.K.R.

G.R.S. 28]

at
30-11

Fair draft. File No. 19-07
Serial No. 2.

Diary No. of letter replied to 878

Proceedings of the Government of His Highness the Maharaja of Mysore.

GENERAL AND REVENUE SECRETARIAT.
(Banking).

, *the* 190

Date of issue 27 Nov 07

Signed by W Nanjundayya

READ.—

Govt: order, no: H: 1886-9291 Gen: Dis: 86-05-2 dtte the 13th September 1905, sanctioning tentatively the appointment of a Registrar of Cooperative Societies for a period of two years.

~~ORDER THEREON.~~ No.

2) Rev: Commissioner's letter, no: 2956 dtte 21st August 1907, stating that the results already achieved are "encouraging & capable of

over

SUBJECT

17

Standing comparison with those attained elsewhere, and that the work remaining to be done consists chiefly ~~in~~ of Starting Cooperative Societies in the Sts of Kolar, Chitaldrug & Shimoga, where there are none at present, and ~~to~~ of the formation of Central Societies at all Head Quarters, and recommending the continuance of the appointment of, and of the Establishment attached to the Registrar for a further period of two years from September 1907.

Order thereon:— No H 2524
B 1907-2
dy 27-11-07

The proposal of the Rev: Comm^r is approved. Mr Shama Rao will continue as Registrar for a further period of two years from September 1907.

G.R.S. 27]

GENERAL AND REVENUE SECRETARIAT.

(*Continuation Sheet draft form.*)

2) In regard to the Shama Rao's request suggestion that, if the appointment of Registrar is continued the Status of the apptt may be raised to that of a Deputy Commissioner Govt are of opinion that as Mr Shama Rao is in the grade of Senior Asstt: Comrs drawing a Salary of Rs: 700 including personal allowance that his Status is sufficiently high, & that it is not necessary to give him the grade of a D/ Commissioner.

C&B 22/11

Sgd to Govt.

Fl & Rev: depts.

May this be printed?

Not necessary

18 21.11.7

The Rev: Govt in reply No 76 2-925 & 17-12-07 K.S. Copy to Complts 21/11/07

25/11

Retyped 14/12